

**CITY OF BELLEVUE
WORKSHOP MEETING
MINUTES**

**BELLEVUE CITY HALL
COMMISSION CHAMBERS**

**JULY 31, 2007
6:00 PM**

MAYOR TAMMY MOORE
Seat 1 MICHAEL GOLDMAN
Seat 2 KENNETH R. NADEAU
Seat 3 WILMA LOAR
Seat 4 CHRISTINE DOBKOWSKI

This meeting has been properly noticed *PD*

BUDGET WORKSHOP

The Clerk stated the funding for the radio room was approved last May by the Commission and the money was already designated in Fund Balance. There was a contract to pay them in October of this year so it had to be in this year's budget.

PD's automation money was designated and restricted and comes in through fines and forfeitures. It balances out to what was brought in with a minor amount that was carried forward; they use this money to purchase lap tops.

The Clerk stated that she spoke with representatives of the Property Appraiser's Office and the Department of Revenue and they both stated that the Commission could adopt any thing up to its current year millage if they adopt it with a unanimous vote. The City would lose the sales tax which was approximately \$300,000 on any thing over the 95% of the rolled back rate. This budget was based on 95% of the roll back rate which was 2.8905 mills. The Commission could reduce the millage at the public hearing, but it could not be increased.

Commissioner Nadeau stated that he was not convinced that the State knew what it was doing regarding the millage rate. The Commissioner stated that the Clerk computed 9.74% which was where the 95% roll back rate came from. Mayor Moore stated that the form shows the options that could be used. The Mayor stated that she learned when she went to IMO that if the City borrowed money it needed to do it through State Bonds which were guaranteed with the sales tax and, therefore, the State could not take those proceeds away from the City.

The Clerk stated that the preliminary disclosure was the initial disclosure that would go out to the citizens. The City could certify 3.188 mills which was last years' millage at the preliminary level, but you could not exceed that preliminary millage disclosure at the final hearing.

Utility Tax - Mayor Moore stated on Pg. 7 the Clerk listed that residential would go up to a maximum of 10% to a maximum of \$2.50; and most cities had no cap. The Mayor stated she would like the commercial to go up to 10% with a cap of \$250 and residential up to a cap of \$5 instead of the \$2.50. Commissioner Nadeau stated to make it \$5 for residential and \$500 for the commercial cap. The Clerk stated that they do not charge the utility tax on the fuel portion of the electric bills.

Commissioner Goldman stated he had no problem with it going up to 10% to match the residential, but he wanted to stair step the increase over a 3-5 year period. Commissioner Nadeau stated he wanted to

see the dollar figure if it went up to \$7.50 residential and 10% on commercial. Most large businesses were paying the \$200 already because of the cap. Mayor Moore stated she felt the change to commercial should be \$250-300 maximum and no more than \$3.50 for residential.

Business Tax Rates - Mayor Moore stated these rates were set in 1994 and once you set them in place you could increase them, but the City could not eliminate them. The Clerk stated that Florida Statutes regulate them and there was a maximum of 5% increase every other year. Commissioner Goldman stated he had no problem with increasing them because the cost of doing business had gone up drastically since 1994 except for the machines which were cash oriented businesses. The Clerk stated that the City could have an automatic escalator of 5% go into effect. Mayor Moore stated we could not just pick one out; they would all have to be raised equally.

On consensus vote: Mayor Moore and Commissioners Goldman and Loar were in favor of increasing the fee; Commissioner Dobkowski was in favor of the increase, but wanted to revisit it every two years. Commissioner Nadeau wanted to know why the City collected this fee when the County did away with their Occupation License fees. The Clerk stated this was a business tax not a regulatory occupational license fee. People need this to get their business bank accounts established. The Clerk stated she felt it provided some credibility.

Commissioner Nadeau stated the County was not doing it any longer because it took up 30-40% of staff time to bill, collect, track and monitor. Commissioner Nadeau stated that on Pg. 40 it shows that in 2005 the City collected \$33,000; in 2006 the City collected \$55,000 and currently the City collected \$34,000. The Clerk stated we get a lot of calls regarding Belleview licenses and we do background checks because they need to be licensed with the State. Mayor Moore stated she felt it paid for itself in the long run, but the Attorney General ruled you could not reduce it or change it so she would question how the County did away with it. Lt. Holland stated it also helped them with the vendors who set up on the corners. Commissioner Loar and the Mayor Moore stated they were in agreement with it as well.

The Clerk stated that there was one change; the contractor registration fee needs to be with the building permit fees and not in this section. There was legislation a few years ago that stated it should not be in with the business taxes, but with the building fees.

Proposed Building Permit increases - Commissioner Dobkowski stated she felt that they were outrageous, residential new structures went up from \$4.10 to \$5.30 which was a 30% increase and \$50.00 to \$60.00 was a 40% increase. Mayor Moore stated the economy went up 68% so 30% was nothing as far as the cost of living. Commissioner Dobkowski stated it was a little high to throw on people.

Commissioner Goldman stated it seemed like we were raising our fees to offset our loss of revenues; permits issued dropped 60% from \$220,000 in 05/06 to \$73,000 to date. The Commissioner stated he was against it at the present stage.

Commissioner Nadeau stated that his concern was ensuring the revenue from this would cover the cost to do the service; was the actual inspector's time, travel, and knowledge worth \$300 per house. The Commissioner stated he would like to drop it down to \$1000 per house, but we could not do it at a loss.

The City needs to at least break even. Mayor Moore stated the rates were not outrageous at all compared to other cities.

Commissioner Nadeau stated to build a \$250,000 house under the current system it came out to \$1800, but with the new rates it would come out to \$2505 which was almost a 40% increase. The Commission wanted to hear the rationale behind it because the last thing he wanted to do was lose money.

Commissioner Goldman stated he wanted to see a cost analysis study and bring the building inspector in and tell us why the rates were being raised. Commissioner Loar stated it looks like someone randomly went through and raised the rates by \$2.00 and \$3.00 here and there.

Utility Tax - Commissioner Goldman asked if it could be passed and then repeal it at a later date if needed. The Clerk stated she could get some preliminary numbers and plug them in, but it had to be adopted by ordinance. The Clerk stated she would check on that process.

Site Plan Fees - Mr. Shrum stated that he had heard one complaint over and over again since he was hired and that there were so many different site plan fees. The cost was \$400 which included 2 site plan reviews and 2 inspections. Mr. Shrum stated his intention was to have one fee that was paid to get through the whole process.

Mr. Shrum stated he had to delete the language on the minor site plans which read "to include minor additions of 25% or less" and the comprehensive plan and zoning had some minor increases to recoup the staff time in the application processes, but there were no changes to the transportation fees.

Commissioner Dobkowski stated she liked the idea, but it penalized those who got it done the first time. Mr. Shrum stated he had never seen one go through on the first try usually it was four, five or six times. Commissioner Dobkowski asked how it compared to the County and Mr. Shrum stated the County had separate fees for everything and each department had additional fees. Most people would see a reduction in the fees if they compare the County's and the City fees.

Commissioner Goldman asked if the \$2,000 under the Comprehensive Plan Text Amendment was going to be enough considering all the work involved. Mr. Shrum stated we would only be reviewing their work based on our comprehensive plan; we would not be generating the work.

On consensus vote: the Mayor Moore and all the Commissioners were in favor of the new fees.

PROPOSED HEALTH INSURANCE PLANS

Ms. Penny Byrd stated there were two minor changes between the plans: they were to the co-pay and prescription changes.

Mayor Moore stated she had a problem with the first option because before the insurance would pay anything the employees had to pay out of pocket \$1500 and then they would have 100% coverage. Ms. Byrd stated that all the plans had the Blue Options.

Mayor Moore stated that more doctors take Blue Choice not the Blue Options. Line 3 would give the employees what they currently had which included a \$500 deductible. Mayor Moore stated to do away with the other options because they were confusing and our employees could not afford either of them.

Ms. Byrd stated that the Health Savings Account was a two tiered program: the first part was the Blue Cross and Blue Shield health insurance portion; second part the employees established a savings account to help offset the \$1500 deductible. The employee would draw on the money in that account when they had medical expenses or they could just pay the \$1500 up front each year.

Ms. Byrd stated that she showed these options because the City piggy backs on the Ocala plans and these were the plans that City Ocala was offering their employees. You had the option of choosing how you wish to provide it to your employees.

Commissioner Nadeau stated in the past the City paid for the single employee premium of \$267.70 per month and now the City would paid \$248 and charge each employee \$25. Ms. Byrd stated that was correct.

Mayor Moore stated she felt it should be free and not charge the employee the \$25 and take the other two choices out. Commissioner Nadeau stated he agreed to keep it like it was this year and forget the \$25. Commissioner Nadeau stated that individuals' policies were usually priced under health while groups were priced under the liability of the group. Mayor Moore asked if the County had the same plan and Ms. Byrd stated they had separate groups, but they offer the same three plans.

Commissioner Goldman left the room at this time.

On consensus vote: Mayor Moore and Commissioners Loar, Dobkowski and Nadeau were in favor of staying with the same plan with the City absorbing the cost of the Single Premium to the employee. Commissioner Goldman was out of the room.

Vesting Schedule – Generals Pension Plan - Clerk McKamey stated that on Pg. 25 it showed the standard normal vesting schedule for the General Employee Pension. Mayor Moore stated to change it to one year before vesting began; after the second year vesting would start and they would have to be here 7 years before being fully vested.

Commissioner Goldman stated in the second year you should be able to start with 15% instead of zero. Mayor Moore stated the City could pick anything. Commissioner Nadeau stated to stay within the norm, but most people don't get vested within 5 years.

Mayor Moore stated that the longevity difference from 5 to 10 years was hard to keep people here; 7 years was easier than 10 years. Mayor Moore asked what the County did and Commissioner Dobkowski stated the County was 6 years.

Commissioner Loar stated she liked the one that the Mayor Moore proposed because after one year they could start contributing and that was an incentive to keep them here. Commissioner Nadeau stated after one year they could contribute to their pension. Vesting means when they leave how much of the City's match they would take with them. If they leave in the first year, the City gives them nothing; 2 year the City would match what they contribute, but when they leave they take only the money they put in; 3 year the City matched 20% and they could take the City's money and what ever money they put in as well.

Lt. Holland stated the employees should be able to put money in from the first year. Mayor Moore stated if the employee puts money in the City would match .5%. Mayor Moore stated the employee should be able to put money in their pension and this would start a lot sooner than under the current plan.

Commissioner Dobkowski stated to keep it like it was. Commissioner Goldman stated make the duration one year before implementing any type of program. If it was a benefit to the City to move from 10 years to 7 years he would go along with that, but the 3 months of eligibility was a problem for him. Commissioners Nadeau and Loar agreed as well with the 7 year program.

PW Director Monroe stated he disagreed with the options because if an employee left he would not get the money, but he had to work for a whole year before he could put money in for his retirement; now they had to wait only 90 days before they could contribute.

Commissioner Nadeau stated to go with 6 months if it would keep people working for us, but if they leave the City would still recover it back. If the Department Heads said it was an asset, go with the 6 months. Commissioner Goldman stated if the PW Director felt it was an incentive then leave it the way it was right now at 3 months. The PW Director stated that 3 months would not make that much difference; the employee was on probation for 6 months. Start the 7.5% at 6 months then a year later let him do the match. Ms. Byrd stated her recommendation would be to go with 6 months which would coincide with the probation period and that would streamline things and be consistent with the paperwork for her department. Currently, they work with the 3 months for health insurance, but the 6 months would be easier. Commissioner Dobkowski stated would the match start at 6 months also and Ms. Byrd stated for consistence they would keep both plans together.

484 Property Purchase – the Clerk stated that the purchase of the property on 484 was financed through SunTrust in the amount of \$1.2 million. Her recommendation would be to pay the property off from fund reserves. The City would be getting \$145,000 from the County for their portion of the property. We had \$103,000 from the Half Cent Sales Tax; and could take \$230,000 from W&S Fund General Fund Reserve. That would leave a balance of under \$800,000 from General Fund Reserves. When we subtract that \$800,000 out of the \$1.9 million reserves that leaves us with \$1.2 million. Ten acres of the property had been designated for park area and the impact fee credits could be used to offset that. Once we get the impact fee credits, it would bring the fund balance back to \$1.6 million dollars.

The Clerk stated the estimated site development cost for the PW complex and the PD building came to approximately \$3 million. The Clerk stated that she contacted the Florida League Of Cities for some preliminary estimates and using a 60/40 split from W&S and General Fund the payments for 25 years would come to \$204,000 and if we go with 30 years the payments would come to \$180,000.

The Clerk stated that she had not done any RFPs for financing through local banks, but there would be fees if they went through the local banks or through the bonding program. So there were advantages and disadvantages for both, but the banks we could probably prepay easier. Mayor Moore stated that the Half Cent Sales Tax would guarantee the Bond and they would not take that money away from us.

Commissioner Goldman stated to use the Florida League Bond Program and use the Half Cent Tax revenues to pay the debt service on the bond. Commissioner Goldman stated if we paid it off out of our savings then we could recover that amount from the Half Cent Sales Tax. Mayor Moore stated that the

bonds were at 4.7% so why pay it off, just get the bond. Commissioner Nadeau stated that the bond was 25 years with a locked in rate which should be around 3.8%. Commissioner Goldman stated to look at all the options and Commissioner Dobkowski agreed. Commissioner Nadeau stated the only problem was if we did a 30 year bond we would need to find \$112,000 in next year's budget. The Clerk stated that the recommendation was to take it out of Fund Balance and which would take a hit of \$40,000 in interest. Commissioner Loar stated she agreed with Commissioner Goldman to go with a 30 year bond.

Commissioner Goldman stated that if we finance the property, once it was encumbered it could no longer be used as collateral. Commissioner Nadeau stated a long term obligation like that the bank would want a mortgage on the property and if we wanted to sell off some of it then we had to negotiate with the bank to release it. Commissioner Goldman stated finalize the plan for the purchase of the property and then sell off the property to the County; then get an architect and planner and find out what it would cost for next year's budget.

Meeting was adjourned at 8:15 PM

ATTEST:

Sandi McKamey, MMC, CPM
City Clerk/Administrator